

**STATE OF MICHIGAN  
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

**Bulletin 2016-03-INS**

**In the matter of**

Michigan Property and Casualty Guaranty Association's Annual  
Adjustment of the Net Worth Limit and Claim Cap  
Pursuant to MCL 500.7925(4) and MCL 500.7925(6)

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**Issued and entered  
this 27<sup>th</sup> day of January 2016  
By Patrick M. McPharlin  
Director**

This bulletin supersedes Bulletin 2015-02-INS, dated January 29, 2015.

**INFORMATIONAL STATEMENT ISSUED PURSUANT TO 2006 PA 362**

The Property and Casualty Guaranty Association Act was amended by 2006 PA 362, effective September 18, 2006, to require the Director of Insurance and Financial Services to certify annually the United States Consumer Price Index (CPI) adjusted calculations of an insured's net worth limit and an insured's covered claim cap. By issuing this bulletin, the Director certifies that he has performed the CPI review as of December 31, 2015.

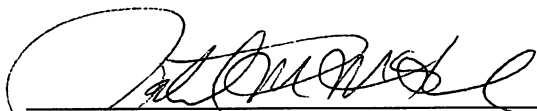
To determine whether an insured's covered claim against the Property and Casualty Guaranty Association (Association) represents an obligation of the Association, MCL 500.7925(4) establishes the insured's net worth limit at \$25,000,000, adjusted annually to reflect the aggregate annual percentage change in the CPI, rounded to the nearest \$10,000. Accordingly, the Director certifies the insured's net worth limit effective January 1, 2016 through December 31, 2016 is \$29,700,000.

MCL 500.7925(6) establishes the insured's covered claim cap at \$5,000,000, adjusted annually by the CPI to reflect the aggregate annual percentage change in the CPI, rounded to the nearest \$10,000. Claims for workers' compensation or personal protection insurance benefits under MCL 500.3107 are excluded from the \$5,000,000 claim cap. Accordingly, the Director certifies the insured's covered claims cap effective January 1, 2016 through December 31, 2016 is \$5,880,000.

MCL 500.7925(8)(a) defines the CPI as the index for All Urban Consumers in the United States City Average, as reported by the United States Department of Labor, Bureau of Labor Statistics, and as certified by the Director.

Any questions regarding this bulletin should be directed to:

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A handwritten signature in black ink, appearing to read 'Patrick M. McPharlin', written over a horizontal line.

Patrick M. McPharlin  
Director